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3/25/2004

FOURTH AVENUE GAMBELL, LLC
EXHIBIT FF

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A PROFESSIONAL CORPORATION
LAWYERS
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March 25, 2004

RECEIVED

Via Facsimile & Regular Mail

Robert C. Erwin, Esq.
Erwin & Erwin, LLC
733 W. 4th Avenue, Suite 400
Anchorage, Alaska 99501

Date Received

Copy to Client
Calendar & Ticker
Route Thru: *LEE* to
File No. *MANDI*
+ FAX *0627 03-25-04*

Re: Lots 8A, 10, 11 & 12, Block 26A, East Addition

Dear Mr. Erwin:

Enclosed please find a draft Purchase and Sale Agreement (Counter-Offer) for the captioned property, prepared by my office based on correspondence between Marc Dunne, as agent for the proposed buyer, Donald Cole, and your client, The Fourth Avenue Gambell Partnership.

I have been advised that our respective clients are in agreement in principle on material terms, but desire that the attorneys work out the details, given the title and environmental issues surrounding the property. Hence, I've prepared this initial draft for your review when you are back in your office next week.

Please give me a call at your convenience to discuss the enclosed draft.

Very truly yours,

TINDALL BENNETT & SHOUP



John H. Tindall

JHT/cps
Encl.

FOURTH AVENUE GAMBELL, LLC
EXHIBIT FF

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PURCHASE AND SALE AGREEMENT (Counter-Offer)

This Purchase and Sale Agreement (Counter-Offer) ("Agreement") is made and entered into this _____ day of March, 2004, by and between The Fourth Avenue Gambell Partnership ("Seller"), and Donald Cole or assigns ("Purchaser").

RECITALS

A. Seller is the owner of certain real property located in Anchorage, Alaska, more particularly described as follows:

Lots Eight "A" (8A), Ten (10), Eleven (11) and Twelve (12), Block Twenty-six "A" (26A), EAST ADDITION, according to the official plats thereof, records of the Anchorage Recording District, Third Judicial District, State of Alaska

(the "Property").

B. Seller desires to sell the Property to Purchaser, and Purchaser desires to purchase the Property from Seller, according to the terms and conditions set forth in this Agreement.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual agreements contained herein, Seller and Purchaser agree as follows:

1. **Contract of Sale.** Seller agrees to sell to Purchaser, its successors and assigns, and Purchaser agrees to buy from Seller, the Property together with all of the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, in accordance with the terms hereof.

2. **Title.** Title to the Property shall be a good and marketable title in fee simple, free and clear of all liens and encumbrances, except the rights and reservations expressed in the U. S. Patent to the Property, and the lien of current real estate taxes not yet due and payable, existing easements for roads, gas, electric, water, sewer and other utility lines, declarations, easements and restrictions presently of record.

3. **Purchase Price.** The purchase price for the Property shall be Nine Hundred Thousand Dollars (\$900,000.00) (the "Purchase Price") to be paid in cash, at closing. The

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Earnest Money reflected in paragraph 4 below shall be applied to the Purchase Price at closing.

4. **Earnest Money.** Simultaneously with the execution of this Agreement, Purchaser shall pay an earnest money deposit in the amount of Five Thousand Dollars (\$5,000.00) cash (the "Earnest Money"), to be deposited in escrow with _____ ("_____") until closing.

5. **Preliminary Title Report.**

(a) **Delivery:** Within fifteen (15) days of the mutual execution of this Agreement, Seller shall, at its cost, deliver to Purchaser a preliminary commitment for title insurance ("Prelim") for a standard Owner's Policy of Title Insurance.

(b) **Purchaser Objections:** Purchaser shall have twenty (20) days after receipt of the Prelim to serve written notice of objections to title on Seller's agent.

(c) **Remedies.** Seller will diligently proceed under paragraph 11 to address clouds on title. As to any other objections, Seller shall have ten (10) days after receipt of Purchaser's objections to either remove such objections or to give Purchaser reasonable assurances that the objections will be removed at closing. Any monetary amounts which are a lien on the title shall be paid at closing out of the Purchase Price. If Seller is unable, with the exercise of due diligence, to satisfy Purchaser's objections, then Purchaser may, at its option, either: (i) accept the title subject to the objections without an adjustment in the Purchase Price and proceed to closing, in which event said objections are deemed waived by Purchaser for all purposes; or (ii) rescind this Agreement, whereupon the Earnest Money shall be returned to Purchaser and this Agreement shall be of no further force or effect.

6. **Assignment, Successors and Assigns.** This Agreement shall be assignable in whole or in part by Purchaser, and the provisions hereof shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, legal representatives, successors and assigns.

7. **Deed.** The Deed to be delivered by Seller at closing shall be an Alaska Statutory Warranty Deed, shall contain an adequate description of the Property and shall comply with paragraph 2 of this Agreement.

8. **Closing.** The closing shall take place at the office of _____, Anchorage, Alaska, at a time to be mutually agreed between the parties but not later than _____, 2004.

9. **Financing/Due Diligence Period.** Purchaser shall have ninety (90) days from the mutual execution of this Agreement, at his sole expense, to obtain financing,

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inspect the Property, and seek such professional, mechanical, electrical, civil, geotechnical and other engineering inspection of the Property and undertake any other tests, as he deems prudent ("**Due Diligence Period**"). Purchaser shall not permit liens or encumbrances to be placed against the Property for expenses incurred as a result of any work done or studies undertaken by Purchaser or at Purchaser's direction. Purchaser shall promptly repair any damage done while inspecting the Property and shall hold Sellers harmless from his acts and omissions and that of his agents while conducting the inspection.

Upon the completion of Purchaser's due diligence on the Property, Purchaser shall notify Seller whether or not he intends to proceed with the purchase of the Property. In the event Purchaser elects not to proceed with the purchase of the Property, for any reason determined in Purchaser's sole discretion, the Earnest Money shall be refunded to Purchaser, and the parties shall each have no further claims against, or obligation to, each other.

10. **Phase II Environmental.** Within sixty (60) days of the mutual execution of this Agreement, Seller, at Seller's sole cost and expense, shall have conducted a Phase II Environmental Assessment ("Phase II Report") of the Property and shall have provided a copy to Purchaser. In the event the Phase II Report indicates that the Property has been contaminated, then Purchaser shall either: (i) terminate this Agreement in his sole and unfettered discretion, in which event the Earnest Money shall be returned to Purchaser and this Agreement shall be null and void and of no further force or effect and the parties shall have no further obligation to the other; or (ii) enter into a mutually acceptable indemnification agreement with Seller whereby Seller shall fully and completely defend, indemnify and hold Purchaser harmless from and against any and all losses, claims, damages and liabilities (including, without limitation, attorneys' and consultants' fees incurred in connection therewith) arising out of or in connection with the environmental condition of the Property.

11. **Quiet Title Action.** Seller agrees to commence and diligently pursue a quiet title action on the Property to remove clouds on title indicated in writing by Purchaser to Seller as being objectionable. Purchaser shall have no obligation to close on the purchase of the Property until such time as Seller has successfully completed the quiet title action and all applicable appeal periods have run or any appeal has been successfully opposed. In the event that Seller's efforts to remove clouds on title in the quiet title action are unsuccessful, the Earnest Money will be returned to Purchaser, this Agreement will be null and void and of no further force or effect, and the parties shall have no further obligation to the other.

12. **ACS Cell Phone Tower Lease.** Purchaser acknowledges and understands that the Property is currently subject to a cell phone tower lease between Seller and Alaska Communications Systems ("ACS"). Within fifteen (15) days of the mutual execution of this Agreement, Seller shall provide Purchaser with a complete copy of the lease with ACS.

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In the event Purchaser proceeds to closing on the purchase of the Property, Purchaser agrees to fully honor the continuation of the lease with ACS through the remainder of its term. Seller represents to Purchaser that, with the exception of the lease with ACS, the Property is not subject to any other leases or contracts. Seller agrees to supply Purchaser with an estoppel certificate from ACS in form and content acceptable to Purchaser reflecting the current status of ACS's tenancy.

13. **Title Insurance and Closing Costs.** Seller, at Seller's sole cost and expense, shall provide an owner's standard policy of title insurance; Purchaser, at Purchaser's sole cost and expense, shall pay for an ALTA policy of title insurance, if the same is obtained. Seller and Purchaser shall share all remaining closing costs including but not limited to escrow fees, recording fees and statutory warranty deed. Each party shall be responsible for their own attorneys' fees.

14. **Apportionment of Taxes.** At the closing of title, current real estate taxes shall be apportioned as of the date of closing. Such taxes shall be apportioned on the basis of the calendar tax year for which assessed, and, if the closing of title shall occur before the tax rate is fixed for such calendar tax year, the apportionment shall be upon the basis of the tax rate for the preceding calendar year applied to the latest assessed valuation.

15. **Assessments.** Road assessments on the Property, if any, whether or not the same are payable in installments over time, shall be fully paid by Seller at closing. Water and sewer assessments on the Property, if any, whether or not the same are payable in installments over time, shall be fully paid by Seller at closing.

16. **Default.** If Seller shall for some reason not excused hereunder, fail or refuse to perform Seller's obligations to Purchaser, and Purchaser shall not be in default, Purchaser may elect to either: (i) receive a full refund of the Earnest Money, in which case this Agreement shall be of no further force or effect; or (ii) pursue all remedies available under law or equity, including specific performance. If Purchaser shall for some reason not excused hereunder, fail or refuse to perform Purchaser's obligations to Seller, and Seller shall not be in default, Seller may elect to either: (i) retain the Earnest Money as liquidated damages as its sole recourse; or (ii) exercise all legal rights and remedies at law or in equity.

17. **Real Estate Commission.** Purchaser and Seller each represent and warrant to the other that it had no dealings with any other broker or finder in connection with the sale and purchase of the Property or this Agreement, except Marc Dunne, of Bond Stephens & Johnson, Inc. (selling office), who has acted as selling agent, and Paul Maney, of Alaskan Real Estate, Inc. (listing office), who has acted as listing agent in this transaction. Upon closing, Seller shall pay to the selling office a commission equal to four percent (4%) of the Purchase Price, or Thirty-six Thousand Dollars (\$36,000.00).

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Seller and Purchaser shall each indemnify and hold the other harmless from and against any and all claims of all brokers and finders, except as to Marc Dunne and Paul Maney, claiming by, through or under the indemnifying party and in any way related to the sale and purchase of the Property, this Agreement or otherwise, including, without limitation, attorneys' fees and expenses incurred by the indemnified party in connection with such claim.

18. **Tax and Legal Advice.** Seller and Purchaser hereby acknowledge that they have obtained independent representation with regard to any tax and/or legal advice in connection with the transaction contemplated under this Agreement.

19. **Representations and Warranties of Seller.** Seller represents and warrants to Purchaser that this Agreement is, and at the closing will be, a legal, valid and binding obligation of Seller; is, and at the closing will be, enforceable in accordance with its terms; does not, and at the closing will not, violate any provisions of any agreement, contract, law, rule or regulation affecting Seller or by which Seller may be bound or affected. The individual executing this Agreement has full power and authority to bind Seller as set forth in this Agreement

20. **Representations and Warranties of Purchaser:** Purchaser represents and warrants to Seller that this Agreement is, and at the closing will be, a legal, valid and binding obligation of Purchaser; is, and at the closing will be, enforceable in accordance with its terms; does not, and at the closing will not, violate any agreement, contract, law, rule or regulation affecting Purchaser or by which Purchaser may be bound or affected.

21. **Arbitration.** Unless the parties mutually agree otherwise, all claims and disputes arising out of, or relating to, this Agreement or the performance hereof, shall be subject to binding arbitration in accordance with the arbitration rules of the American Arbitration Association for commercial disputes then pertaining and pursuant to the following procedures:

(a) The claim or dispute shall be referred to a single arbitrator if the parties agree on the selection of a single arbitrator, or if not, then to a board of three (3) arbitrators of which one (1) arbitrator shall be selected by each of the parties with the third (3rd) arbitrator selected by the two (2) arbitrators chosen by the parties.

(b) Reasonable discovery shall be allowed.

(c) All arbitration proceedings shall be held in Anchorage, Alaska.

(d) Alaska law shall govern all arbitration proceedings.

(e) The costs and fees of arbitration shall split 50/50 between the parties. Each party shall be responsible for their own attorneys' fees and costs.

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(f) The award rendered by the arbitrator(s) shall be final and a judgment may be entered in accordance with applicable law in any court having jurisdiction.

(g) The existence and resolution of the arbitration proceeding shall be kept confidential by the parties and by the arbitrator(s).

22. **Notices.** All notices required or permitted to be given under this Agreement shall be in writing and may be hand delivered, mailed, delivered by overnight courier service or transmitted by facsimile. If mailed, such notices shall be sent by certified mail, postage prepaid, return receipt requested. The date which is two days after the date of mailing shall be deemed to be the date on which the notice was given. The postmark affixed to such notice by the U.S. Post Office shall be conclusively presumed to be the date of mailing for purposes of this paragraph. In the case of notices given by hand delivery or overnight courier, such notices shall be deemed given on the date of the actual receipt. If transmitted by facsimile, such notices shall be deemed given on the date of the actual receipt of a complete, legible facsimile transmission, except that if a facsimile transmission is received after business hours or on a weekend or holiday, then the notice shall be deemed given on the next business day following the receipt of the facsimile transmission.

To Seller: The Fourth Avenue Gambell Partnership

Anchorage, Alaska 995_____
Facsimile No.: (907) _____

To Purchaser: Donald Cole, or assigns

Anchorage, Alaska 995_____
Facsimile No.: (907) _____

With a copy to: John H. Tindall, Esq.
Tindall Bennett & Shoup
508 W. Second Avenue, Third Floor
Anchorage, Alaska 99501
Facsimile No.: (907) 278-8536

Either party may change the address to which notices shall be sent by notice in writing to the other party.

23. **Partial Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be effected, impaired or invalidated.

24. **Construction.** The fact that this Agreement may have been drafted in whole or in part by one party's counsel shall not result in the agreement being construed against that party. All parties have had the opportunity to consult with their own independent legal counsel. Reliance upon the rule that an agreement is construed against its drafter is expressly waived.

25. **Waiver.** Failure by any party to object to a default under or a breach of this Agreement shall not constitute a waiver, either express or implied, of the right to do so in the event of any future or continuing default under or breach of this Agreement.

26. **Headings.** Headings and subheadings in this Agreement are provided for convenience only, and do not alter or affect the rights and obligations of the parties.

27. **Merger.** This Agreement constitutes the entire agreement between Seller and Purchaser, and supersedes and terminates all prior or contemporaneous understandings, arrangements and negotiations between the parties, their attorneys and consultants.

28. **Facsimile Documents.** Facsimile signatures and copies of this Agreement shall be treated as originals and the parties shall be fully bound thereby.

29. **Counterparts.** This Agreement may be executed in counterparts which, when taken together, shall constitute one in the same document.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SELLER:

THE FOURTH AVENUE GAMBELL
PARTNERSHIP

By: _____

Its: _____

PURCHASER:

Donald Cole